

New York property and the remapping of Manhattan's Upper East Side

By Troy McMullen

Developers are using new amenity-filled condominiums to entice buyers to nondescript areas nearer the East River



Central Park and the New York City skyline

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Manhattan's soaring housing market is shifting the traditional boundaries of some historic neighbourhoods, as New Yorkers increasingly compete with wealthy international buyers for high-end property. Nowhere is the trend more visible than on the Upper East Side,

an affluent sliver of the city long known for stately Park Avenue co-operatives and elegant townhouses.

The area traditionally stretches east from Fifth Avenue to Third Avenue and north from the border of Central Park up to 96th Street. Yet property developers, eager to cash in on New York's real estate resurgence, are adding amenity-filled condominiums to nondescript areas nearer the East River, and less gentrified sections north of 96th Street. The new developments are enticing buyers who, just a few years ago, were less willing to pay premium prices for a property outside the Upper East Side's long-established borders.



Townhouse on East 62nd Street, \$25m

“Rising real estate prices on the Upper East Side have essentially made it fair game for property developers to build new condos to meet demand,” says Jonathan Miller, president of Miller Samuel Appraisers in New York. “You now have a lot more buyers who aren’t afraid to pay for a property outside of what we’ve come to think of as traditional neighbourhoods.”

One Museum Mile, a 115-unit condominium on the corner of 109th Street and Central Park has a rooftop pool, fitness centre and expansive park views. Designed by the US architect Robert AM Stern, the property broke a local sales record when a penthouse sold for \$2,100 per sq ft. The Charles is a glass-and-limestone condominium under construction on First Avenue between 72nd and 73rd Streets, where 15 large apartments, including a penthouse listed for \$37.9m, have already been sold.

The expansion of the Upper East Side comes as Manhattan’s property market is reaching record levels. The median price of a condominium in Manhattan rose 13.4 per cent during the first quarter from the same period last year, setting a record at \$1.35m, according to a report from Douglas Elliman brokerage.

The flurry of activity at the upper end of the market pushed the number of property sales in Manhattan to a seven-year high for the quarter while sending the average price per sq ft to a record \$1,363.

Condominium sales on the Upper East Side itself are also robust. The median price of a condominium in the district rose 17.8 per cent to \$1.65m during the first quarter from the same period last year, the Douglas Elliman report showed.

Much of the activity in newer condos is being driven by foreign buyers. Data compiled by Stribling & Associates estimates that international buyers now make up 30-45 per cent of the Manhattan property market. “Most of the record-breaking new condominium sales are due to foreign buyers,” says Cathy Taub, an estate agent at Stribling and Associates. “The overwhelming majority of foreign buyers will look only at new condominium product.” Among the newer condominiums attracting international buyers on the Upper East Side is 151 East 78th Street, a 16-storey development nestled among the area’s stately prewar buildings just east of Lexington Avenue. The property has 14 residences that range from three to six bedrooms and measure between 3,300 and 7,000 sq ft. Units start at \$10m, with penthouses at \$20m, through Stribling Marketing Associates.

Other high-end condominiums under construction on the Upper East Side include 33 East 74th Street, a 10-unit building with apartments from \$14m to \$50m, and 135 East 79th Street, with penthouse apartments priced from \$18.5m to \$28.5m.

Despite a surge in condominium construction, townhouses can still fetch enormous sums on the Upper East Side. In April, the 16-room, Fifth Avenue penthouse on East 77th Street, owned by the late billionaire Edgar M Bronfman, sold for \$70m. The price is thought to be a record for a Manhattan co-op.

“There’s still an eagerness among buyers to own a piece of Manhattan history and town houses and co-ops still command quite a bit of attention,” says Oren Alexander, an estate agent with Douglas Elliman. “Prewar buildings in traditional areas of the Upper East Side will always sell well.”

Douglas Elliman is marketing several newly renovated prewar town houses on the Upper East Side. Among them is a five-storey residence on East 62nd Street just off Park Avenue listed for \$25m. The brownstone measures 6,000 sq ft and has five bedrooms and six bathrooms. The ground floor has marble flooring, a chef’s kitchen and a dining room that opens on to a fully landscaped garden. The home is being sold fully furnished, with interiors by the British designer Tanja Ellis.